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Research & Strategic Analysis

#### AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Earhart Development Area
The City of New Orleans, Louisiana
FEBRUARY, 2009

This analysis has determined the market potential for new affordable as well as market-rate housing units within the Earhart Development Area, an area bounded by Interstate 10, the Jefferson Davis Parkway, Earhart Boulevard, and Claiborne Avenue in Planning District 4, City of New Orleans.

For the purposes of this analysis, market-rate is defined as affordable to households with incomes above 80 percent of the New Orleans/Metairie/Kenner Area Median Family Income (AMFI), which, in 2008, was \$59,800 for a family of four. Based on household size, the income limits to qualify for affordable housing would be \$33,500 for a one-person household; \$38,300 for a two-person household; \$43,050 for a three-person household; \$47,850 for a four-person household; and so on. However, this affordability standard does not apply to new construction, which is estimated by the New Orleans Redevelopment Authority to average \$250,000 per unit.

# Where does the potential market for new housing units within the Earhart Development Area currently live?

As derived from migration, mobility and target market analysis, the draw area distribution of market potential (those households with the potential to rent or purchase new housing units within the Earhart Development Area) is as follows:

#### Market Potential by Draw Area THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

City of New Orleans (Primary Draw Area): 71.3% Jefferson, St. Tammany, St. Bernards Parishes

(Regional Draw Area): 12.3%
Balance of US: 16.4%

Total: 100.0%

# How many households are likely to move to the Earhart Development Area each year and who are they?

As derived by the target market methodology, up to 1,220 households represent the annual potential market for new mixed-income housing units that could be developed within the Earhart Development Area. These households comprise just over five percent of the approximately 23,200 households that represent the annual potential market for new and existing housing units in the City of New Orleans as a whole, a share of the market that is consistent with Zimmerman/Volk Associates' experience in other cities..

The household groups that comprise the potential market for new mixed-income housing units on the site are:

- Younger singles and childless couples (57 percent);
- A range of urban families (31 percent); and
- Empty nesters and retirees (12 percent).

#### What are their housing preferences?

Based on the tenure and housing preferences of the target households, the distribution of new mixed-income rental and for-sale housing types is as follows:

#### Target Residential Mix: New Housing Units By Income Levels and Financial Capabilities THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

Housing Type	Number of Households	PERCENT OF TOTAL
Multi-family for-rent (BMR*)	410	33.5%
Multi-family for-rent (market-rate†)	370	30.3%
Multi-family for-sale (BMR*)	90	7.5%
Multi-family for-sale (market-rate†)	70	5.7%
Single-family attached for-sale (BMR*)	60	4.9%
Single-family attached for-sale (market-rate†)	60	4.9%
Single-family detached for-sale (BMR*) Single-family detached for-sale (market-rate†)	90 	7.5% 
Total	1,220	100.0%

<sup>\*</sup> BMR: Below Market-Rate.

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans Area Median Family Income (AMI), as of March 2008, of \$59,800 for a family of four, adjusted for household size.

This market-driven mix includes approximately 64 percent rental housing units, and 34 percent for-sale housing units.

# How many new dwelling units could be leased or sold within the area over the next five years?

After more than 20 years' experience in scores of cities across the country, and in the context of the target market methodology, Zimmerman/Volk Associates has determined that those households that prefer new dwelling units comprise approximately 10 to 15 percent of the potential market, depending on housing type. (According to the National Association of Realtors, new housing units represent approximately 15 percent of all units sold nationally in a given year.) Based on a capture rate of 10 to 15 percent of the annual potential market for new housing units on the site, the Earhart Development Area could theoretically support up to 169 new units per year, as follows:

# Annual Capture of Market Potential THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

Housing Type	Number of Households	Capture Rate	Number of New Units
Multi-family for-rent (lofts/apartments, leaseholder)	780	15%	117
For-Sale Multi-Family (lofts/apartments, condo/co-op ownership)	160	15%	24
For-Sale Single-Family Attached (rowhouses/duplexes, fee-simple/condominium ownership)	120	10%	12
Small-Lot For-Sale Single-Family Detached (detached houses, fee-simple ownership)	_160	10%	_16
Total	1,220		169 units

At these capture rates, absorption of up to 500 new dwelling units within the Earhart mixed-use, mixed-income development could be achieved within five years from commencement of marketing, depending on phasing and construction, and barring a long-term continuation of recessionary conditions in the national economy.

NOTE: Target market capture rates are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*. The **target market capture rate** is a measure developed over nearly two decades of empirical, site-specific analysis that establishes the feasible percentages that can reasonably be applied to the potential market for each housing type.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income. The **penetration rate** is largely an academic measure that establishes the percentage of households from within a defined area that must move to a housing project to achieve 100 percent occupancy.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site. The **traffic conversion rate** is a measure of the effectiveness of sales and leasing efforts.

Because the prospective market for a location is more precisely defined, target market capture rates are higher than the more grossly-derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

#### What is the market currently able to pay for the new units?

#### —Rental Distribution—

Based on the target household mix and the incomes and financial capabilities of the target households, the distribution by rent ranges of the 117 new rental units that could be absorbed each year over the next five years within the Earhart Development Area would be as follows:

#### Rental Apartment Distribution by Rent Range THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

MONTHLY	Units	
RENT RANGE	PER YEAR	PERCENTAGE
Under \$500	16	13.7%
\$500-\$750	40	34.1%
\$750-\$1,000	22	18.8%
\$1,000-\$1,250	12	10.3%
\$1,250-\$1,500	14	12.0%
\$1,500-\$1,750	9	7.7%
\$1,750 and up	<u>4</u>	<u>3.4</u> %
Total:	117	100.0%

#### —For-Sale Distribution—

Based on the target household mix and the incomes of the target households, the distribution by price range of the 24 new for-sale apartments that could be absorbed each year over the next five years within the Earhart Development Area would be as follows:

# For-Sale Apartment Distribution by Price Range THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

Price Range	Units Per Year	Percentage
\$50,000-\$100,000	8	33.3%
\$100,000-\$150,000	7	29.2%
\$150,000-\$200,000	6	25.0%
\$200,000 and up	3	<u>12.5</u> %
Total:	24	100.0%

Based on the target household mix and incomes of the target groups, the distribution by price range of the 12 new rowhouses/duplexes that could be absorbed each year over the next five years within the Earhart Development Area would be as follows:

#### Rowhouse/Duplex Distribution by Price Range THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

PRICE	UNITS DED VEAD	Dencentrace
RANGE	PER YEAR	PERCENTAGE
\$50,000-\$100,000 \$100,000-\$150,000	4 2	33.3% 16.7%
\$150,000-\$150,000	3	25.0%
\$200,000 and up	3	<u>25.0</u> %
Total:	12	100.0%

Based on the target household mix and incomes of the target groups, the distribution by price range of the 16 new detached houses that could be absorbed each year over the next five years within the Earhart Development Area would be as follows:

#### Detached House Distribution by Price Range THE EARHART DEVELOPMENT AREA City of New Orleans, Louisiana

Price Range	Units Per Year	PERCENTAGE
\$50,000-\$100,000	3	18.7%
\$100,000-\$150,000	5	31.3%
\$150,000-\$200,000	5	31.3%
\$200,000 and up	3	<u>18.7</u> %
Total:	16	100.0%



Main Tables



#### **Potential Market For New Housing Units**

Distribution Of Draw Area Households With The Potential
To Move To The Earhart Development Area Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels
Orleans Parish (City of New Orleans), Louisiana

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties Draw Areas

1,220

Average Annual Total Households With Potential To Rent/Purchase Within The Earhart Development Area:

#### **Potential Housing Market**

	Multi-Family						
	For-	Rent		For	r-Sale		
	Below			Below			
	Market-Ratet	Market-Ratet	AllRanges	AllRanges	Market-Rate†	Market-Rate†	
	Apts.	Apts.	Apts.	Attached	Detached	Detached	Total
Total Households	: 410	370	160	120	90	70	1,220
{Percent}:	33.6%	30.3%	13.1%	9.8%	7.4%	5.7%	100.0%

† Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for a family of four in 2008.

NOTE: Reference Appendix One, Tables 1 Through 8B; Appendix Three, Tables 1A Through 4.

SOURCE: Claritas, Inc.;

### Potential Housing Market By Household Type

Distribution Of Draw Area Households With The Potential
To Move To The Earhart Development Area Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels
Orleans Parish (City of New Orleans), Louisiana

					Single-Family		
	Total	Below	Market-Rate* Apts.	AllRanges Apts.	AllRanges Attached	Below Market-Rate* Detached	Market-Rate* Detached
Number of Households:	1,220	410	370	160	120	90	70
Empty Nesters & Retirees	20%	20%	16%	13%	25%	33%	29%
Traditional & Non-Traditional Families	43%	49%	35%	38%	50%	33%	71%
Younger Singles & Couples	37%	31%	49%	49%	25%	33%	100%

NOTE: Reference Appendix One, Tables 1 through 11.

SOURCE: Claritas, Inc.;

<sup>\*</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for a family of four in 2008.

#### Potential Market For New Multi-Family For Rent The Earhart Development Area

Orleans Parish, Louisiana

	Empty Nesters & Retirees	Below Market-Rate† Apts.	Market-Rate† Apts.	Total	15% Capture
	Metropolitan Cities	0	10	10	0
	Cosmopolitan Couples	0	10	10	2
	Downtown Retirees	10	0	10	2
	Multi-Ethnic Seniors	40	20	60	9
Sm	all Cities/Satellite Cities				
N	Middle-Class Move-Downs	0	10	10	2
	Second City Seniors	30	20	50	8
	Subtotal:	80	60	140	23
	Traditional & Non-Traditional Families				
	Metropolitan Cities				
	Full-Nest Urbanites	0	10	10	2
	Multi-Cultural Families	10	10	20	3
	Inner-City Families	90	40	130	18
	Single-Parent Families	60	30	90	13
Sm	all Cities/Satellite Cities				
	Multi-Ethnic Families	10	10	20	3
	In-Town Families	30	30	60	9
	Subtotal:	200	130	330	48

SOURCE: Claritas, Inc.;

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for a family of four in 2008.

### Potential Market For Multi-Family For Rent The Earhart Development Area

Orleans Parish, Louisiana

	Younger Singles & Couples	Below Market-Rate† Apts.	Market-Rate† Apts.	Total	15% Capture
	Metropolitan Cities				
	New Bohemians	10	30	40	6
		_			6
	Urban Achievers	30	70	100	14
Sm	all Cities/Satellite Cities				
	Twentysomethings	0	20	20	3
	Small-City Singles	10	20	30	5
	Blue-Collar Singles	30	20	50	8
	Soul City Singles	50	20	70	10
	Subtotal:	130	180	310	46
	Total Households:	410	370	780	117
	Percent of Total:	<b>52.6</b> %	<b>47.4</b> %	100.0%	

SOURCE: Claritas, Inc.;

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for a family of four in 2008.

# Potential Market For New Multi-Family For Sale The Earhart Development Area

Orleans Parish, Louisiana

		Below			
	Empty Nesters & Retirees	Market-Rate†Apts.	Market-Ratet Apts.	Total	15% Capture
	Metropolitan Cities				
	Multi-Ethnic Seniors	10	0	10	2
Sm	all Cities/Satellite Cities				
	Second City Seniors	10	0	10	1
	Subtotal:	20	0	20	3
	Traditional & Non-Traditional Families				
	Metropolitan Cities				
	Full-Nest Urbanites	0	10	10	2
	Multi-Cultural Families	0	10	10	2
	Inner-City Families	20	0	20	3
	Single-Parent Families	10	0	10	2
Sm	all Cities/Satellite Cities				
	In-Town Families	10	0	10	1
	Subtotal:	40	20	60	10

SOURCE: Claritas, Inc.;

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for for a family of four in 2008.

# Potential Market For New Multi-Family For Sale The Earhart Development Area

Orleans Parish, Louisiana

Younger Singles & Couples	Below Market-Rate† Apts.	Market-Ratet Apts.	Total	15% Capture
Metropolitan Cities				
New Bohemians	0	20	20	3
Urban Achievers	10	20	30	4
Small Cities/Satellite Cities				
Small-City Singles	0	10	10	2
Blue-Collar Singles	10	0	10	1
Soul City Singles	10	0	10	1
Subtotal	30	50	80	11
Total Households Percent of Total:		70 43.8%	160 100.0%	24

SOURCE: Claritas, Inc.;

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for for a family of four in 2008.

# Potential Market For New Single-Family Attached For Sale The Earhart Development Area

Orleans Parish, Louisiana

		Below			
	<b>Empty Nesters</b>	Market-Rate†	Market-Rate†		10%
	& Retirees	SF Attached	SF Attached	Total	Capture
	Metropolitan Cities				
	Cosmopolitan Couples	0	10	10	1
	Downtown Retirees	10	0	10	1
Sm	all Cities/Satellite Cities				
	Hometown Retirees	10	0	10	1
	Subtotal:	20	10	30	3
	Traditional &				
	Non-Traditional Families				
	Metropolitan Cities	_			
	Full-Nest Urbanites	0	10	10	1
	Inner-City Families	10	0	10	1
	Single-Parent Families	10	0	10	1
Sm	all Cities/Satellite Cities				
	Unibox Transferees	0	10	10	1
	Multi-Ethnic Families	0	10	10	1
	In-Town Families	10	0	10	1
	Subtotal:	30	30	60	6

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for for a family of four in 2008.

# Potential Market For New Single-Family Attached For Sale

Orleans Parish, Louisiana

	Younger Singles & Couples	Below Market-Rate† SF Attached	Market-Rate† SF Attached	Total	10% Capture
	Metropolitan Cities				
	New Bohemians	0	10	10	1
	Urban Achievers	0	10	10	1
Sm	all Cities/Satellite Cities				
	Blue-Collar Singles	10	0	10	1
	Subtotal:	10	20	30	3
	Total Households: Percent of Total:	60 50.0%	60 50.0%	120 100.0%	12

SOURCE: Claritas, Inc.;

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for for a family of four in 2008.

Table 6 Page 1 of 2

# Potential Market For New Single-Family Detached For Sale The Earhart Development Area

Orleans Parish, Louisiana

		Below			
	<b>Empty Nesters</b>	Market-Rate†	Market-Rate†		10%
	& Retirees	SF Attached	SF Attached	Total	Capture
	Metropolitan Cities				
	Cosmopolitan Couples	0	10	10	1
	Multi-Ethnic Retirees	10	0	10	1
Sm	all Cities/Satellite Cities				
N	Middle-Class Move-Downs	0	10	10	1
	Blue-Collar Retirees	10	0	10	1
	Second City Seniors	10	0	10	1
	Subtotal:	30	20	50	5
	Traditional &				
	Non-Traditional Families				
	Metropolitan Cities				
	Full-Nest Urbanites	0	10	10	1
	Multi-Cultural Families	0	10	10	1
Sm	all Cities/Satellite Cities				
	<b>Unibox Transferees</b>	0	20	20	2
	Multi-Ethnic Families	10	10	20	2
	In-Town Families	20	0	20	2
	Subtotal:	30	50	80	8

SOURCE: Claritas, Inc.;

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for for a family of four in 2008.

Table 6 Page 2 of 2

# Potential Market For New Single-Family Detached For Sale The Earhart Development Area

Orleans Parish, Louisiana

		Below			
	Younger	Market-Rate†	Market-Rate†		10%
	Singles & Couples	SF Attached	SF Attached	Total	Capture
Sm	all Cities/Satellite Cities				
	Twentysomethings	10	0	10	1
	Small-City Singles	10	0	10	1
	Blue-Collar Singles	10	0	10	1
	Subtotal:	30	0	30	3
	Total Households: Percent of Total:	90 56.3%	70 43.8%	160 100.0%	16

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.

<sup>†</sup> Market rate is defined as affordable to households with incomes above 80 percent of the New Orleans AMFI (Area Median Family Income), which is \$59,800 for for a family of four in 2008.

Appendix Tables



Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

Household Type/ Geographic Designation	Orleans Parish	Adjacent Parishes	E. Baton Rouge Parish	Balance of Louisiana	All Other US Counties	Total
<b>Empty Nesters</b>						
& Retirees	40	10	0	0	10	60
M-1	20	10	0	0	0	40
Metropolitan Cities Small Cities/Satellite Cities	30	10	0	0	0	40
	10	0	0	0	10	20
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
Traditional &						
<b>Non-Traditional Families</b>	80	40	0	0	40	160
Metropolitan Cities	40	20	0	0	20	80
Small Cities/Satellite Cities	40	20	0	0	20	80
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
V						
Younger						
Singles & Couples	180	50	0	0	60	290
Metropolitan Cities	140	40	0	0	30	210
Small Cities/Satellite Cities	40	10	0	0	30	80
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
·						
Total:	300	100	0	0	110	510
Percent:	58.8%	19.6%	0.0%	0.0%	21.6%	100.0%

SOURCE: Claritas, Inc.;

Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

	Orleans Parish	Adjacent Parishes	E. Baton Rouge Parish	Balance of Louisiana	All Other US Counties	Total
Empty Nesters & Retirees	40	10	0	0	10	60
Metropolitan Cities						
Cosmopolitan Couples	20	10	0	0	0	30
Multi-Ethnic Retirees	10	0	0	0	0	10
Subtotal:	30	10	0	0	0	40
Small Cities/Satellite Cities						
Middle-Class Move-Downs	10	0	0	0	10	20
Subtotal:	10	0	0	0	10	20

SOURCE: Claritas, Inc.;

Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

	Orleans Parish	Adjacent Parishes	E. Baton Rouge Parish	Balance of Louisiana	All Other US Counties	Total
Traditional &						
<b>Non-Traditional Families</b>	80	40	0	0	40	160
<i>Metropolitan Cities</i> Full-Nest Urbanites	20	10	0	0	10	40
Multi-Cultural Families	20	10	0	0	10	40
Subtotal:	40	20	0	0	20	80
Small Cities/Satellite Cities						
Unibox Transferees	10	10	0	0	10	30
Multi-Ethnic Families	30	10	0	0	10	50
Subtotal:	40	20	0	0	20	80

SOURCE: Claritas, Inc.;

Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Orleans Parish	Adjacent Parishes	E. Baton Rouge <u>Parish</u>	Balance of Louisiana	All Other US Counties	Total
Younger						
Singles & Couples	180	50	0	0	60	290
Metropolitan Cities						
New Bohemians	50	10	0	0	10	70
Urban Achievers	90	30	0	0	20	140
Subtotal:	140	40	0	0	30	210
Small Cities/Satellite Cities						
Twentysomethings	20	0	0	0	10	30
Small-City Singles	20	10	0	0	20	50
Subtotal:	40	10	0	0	30	80

Households In Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

Household Type/ Geographic Designation	Orleans Parish	Adjacent Parishes	E. Baton Rouge Parish	Balance of Louisiana	All Other US Counties	Total
Empty Nesters						
& Retirees	150	20	0	0	10	180
Metropolitan Cities	80	10	0	0	0	90
Small Cities/Satellite Cities	70	10	0	0	10	90
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
Town & Country/Exures	U	U	U	U	U	U
Traditional &						
Non-Traditional Families	310	20	0	0	40	370
1 (011 114011011011411141111100	310	_0	•	•	10	0.0
Metropolitan Cities	240	10	0	0	20	270
Small Cities/Satellite Cities	70	10	0	0	20	100
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
·						
Younger						
Singles & Couples	110	10	0	0	40	160
Small Cities/Satellite Cities	110	10	0	0	40	160
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
Total:	570	50	0	0	90	<b>710</b>
Percent:	80.3%	7.0%	0.0%	0.0%	12.6%	100.0%

SOURCE: Claritas, Inc.;

Households In Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

	Orleans Parish	Adjacent Parishes	E. Baton Rouge Parish	Balance of Louisiana	All Other US Counties	Total
Empty Nesters & Retirees	150	20	0	0	10	180
Metropolitan Cities						
Downtown Retirees	20	0	0	0	0	20
Multi-Ethnic Seniors	60	10	0	0	0	70
Subtotal:	80	10	0	0	0	90
Small Cities/Satellite Cities						
Blue-Collar Retirees	10	0	0	0	0	10
Hometown Retirees	10	0	0	0	0	10
Second City Seniors	50	10	0	0	10	70
Subtotal:	70	10	0	0	10	90

SOURCE: Claritas, Inc.;

Households In Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

	Orleans Parish	Orleans Parishes	Orleans Parish	Balance of Louisiana	Orleans US Counties	Total
Traditional & Non-Traditional Families	310	20	0	0	40	370
Metropolitan Cities						
Inner-City Families	140	10	0	0	10	160
Single-Parent Families	100	0	0	0	10	110
Subtotal:	240	10	0	0	20	270
Small Cities/Satellite Cities						
In-Town Families	70	10	0	0	20	100
Subtotal:	70	10	0	0	20	100

	Younger Singles & Couples	110	10	0	0	40	160
Sm	all Cities/Satellite Cities Blue-Collar Singles	60	0	0	0	20	80
	Soul City Singles  Subtotal:		10 10	0	$\frac{0}{0}$ -	$\frac{20}{40}$ —	80

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year

Households In Groups With Median Incomes Above \$50,000 Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana;

Balance of Louisiana; All Other US Counties

Household Type/ Geographic Designation	Ren Below Median	ntal Above Median	Entry- Level	Owne First-Time Move-Up	ership Move-Up/ Lateral	Move- Down	Total
Empty Nesters & Retirees	0	20	0	0	30	10	60
& Retfiees	U	20	U	U	30	10	00
Metropolitan Cities	0	10	0	0	20	10	40
Small Cities/Satellite Cities	0	10	0	0	10	0	20
Metropolitan Suburbs	0	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0	0
Traditional &							
Non-Traditional Families	20	30	20	50	30	10	160
Metropolitan Cities	10	20	10	20	20	0	80
Small Cities/Satellite Cities	10	10	10	30	10	10	80
Metropolitan Suburbs	0	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0	0
•							
Younger	=0	110	20	••	=0	•	•00
Singles & Couples	50	140	20	30	50	0	290
Metropolitan Cities	40	100	20	20	30	0	210
Small Cities/Satellite Cities	10	40	0	10	20	0	80
Metropolitan Suburbs	0	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0	0
10wn C Country Lauros	J	J	J	U	O .	0	U
Total:	70	190	40	80	110	20	510
Percent:	13.7%	37.3%	7.8%	15.7%	21.6%	3.9%	100.0%

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Re1	ıtal	tal Ownership				
<b>Empty Nesters</b>	Below	Above	Entry-	First <b>-</b> Time	Move-Up/	Move-	
& Retirees	Median	Median	Level	Move-Up	Lateral	Down	Total
Metropolitan Cities							
Cosmopolitan Couples	0	10	0	0	10	10	30
Multi-Ethnic Retirees	0	0	0	0	10	0	10
Subtotal:	0	10	0	0	20	10	40
Small Cities/Satellite Cities Middle-Class Move-Downs	0	10	0	0	10	0	20
Subtotal:	$\frac{}{}$	10	0	$\frac{}{}$	10	0	20
Subtotut.	U	10	U	U	10	U	20
Total:	0	20	0	0	30	10	60
Percent:	0.0%	33.3%	0.0%	0.0%	50.0%	<b>16.7</b> %	$\boldsymbol{100.0\%}$

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Re1	ıtal	Ownership				
Traditional &	Below	Above	Entry-	First-Time	Move-Up/	Move-	
Non-Traditional Families	Median	Median	Level	Move-Up	Lateral	Down	Total
<i>Metropolitan Cities</i> Full-Nest Urbanites	0	10	10	10	10	0	40
Multi-Cultural Families	10	10	0	10	10	0	40
Subtotal:	10	20	10	20	20	0	80
Small Cities/Satellite Cities Unibox Transferees	0	0	0	20	0	10	30
Multi-Ethnic Families	10	10	10	10	10	0	50
Subtotal:	10	10	10	30	10	10	80
Total: Percent:	20 12.5%	30 18.8%	20 12.5%	50 31.3%	30 18.8%	10 6.3%	160 100.0%

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Re1	. Rental Ownership					
Younger	Below	Above	Entry-	First-Time	Move <b>-</b> Up/	Move-	
Singles & Couples	Median	Median	Level	Move-Up	Lateral	Down	Total
Metropolitan Cities							
New Bohemians	10	30	10	10	10	0	70
Urban Achievers	30	70	10	10	20	0	140
Subtotal:	40	100	20	20	30	0	210
Small Cities/Satellite Cities							
Twentysomethings	0	20	0	0	10	0	30
Small-City Singles	10	20	0	10	10	0	50
Subtotal:	10	40	0	10	20	0	80
Total:	50	140	20	30	50	0	290
Percent:	<b>17.2</b> %	48.3%	6.9%	10.3%	<b>17.2</b> %	0.0%	$\boldsymbol{100.0\%}$

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Multi- Family					
Household Type/ Geographic Designation	All Ranges	Attached All Ranges	Low-Range	Detached Mid-Range	 High-Range	Total
Empty Nesters						
& Retirees	0	10	20	10	0	40
Metropolitan Cities	0	10	20	0	0	30
Small Cities/Satellite Cities	0	0	0	10	0	10
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
Ţ.						
Traditional &						
Non-Traditional Families	20	30	30	20	10	110
Metropolitan Cities	20	10	20	0	0	50
Small Cities/Satellite Cities	0	20	10	20	10	60
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
Younger						
Singles & Couples	60	20	20	0	0	100
Singles & Couples	00	20	20	U	U	100
Metropolitan Cities	50	20	0	0	0	70
Small Cities/Satellite Cities	10	0	20	0	0	30
Metropolitan Suburbs	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0
Total:	80	60	70	30	10	250
Percent:	32.0%	24.0%	28.0%	12.0%	4.0%	100.0%

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Multi- Family	Single- Family						
<b>Empty Nesters</b>	J	Attached		Detached				
& Retirees	All Ranges	All Ranges	Low-Range	Mid-Range	High-Range	Total		
Metropolitan Cities								
Cosmopolitan Couples	0	10	10	0	0	20		
Multi-Ethnic Retirees	0	0	10	0	0	10		
Subtotal:	0	10	20	0	0	30		
Small Cities/Satellite Cities								
Middle-Class Move-Downs	0	0	0	10	0	10		
Subtotal:	0	0	0	10	0	10		
Total:	0	10	20	10	0	40		
Percent:	0.0%	25.0%	50.0%	25.0%	0.0%	$\boldsymbol{100.0\%}$		

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Multi-					
	Family		Fan	ıily		
Traditional &		Attached		Detached		
Non-Traditional Families	All Ranges	All Ranges	Low-Range	Mid-Range	High-Range	Total
Metropolitan Cities						
Full-Nest Urbanites	10	10	10	0	0	30
Multi-Cultural Families	10	0	10	0	0	20
Subtotal:	20	10	20	0	0	50
Small Cities/Satellite Cities						
Unibox Transferees	0	10	0	10	10	30
Multi-Ethnic Families	0	10	10	10	0	30
Subtotal:	0	20	10	20	10	60
Total:	20	30	30	20	10	110
Percent:	18.2%	27.3%	27.3%	18.2%	9.1%	100.0%

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Households In Groups With Median Incomes Above \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Multi-		Sing	gle-		
	Family		Fan	nily		
Younger		Attached		Detached		
Singles & Couples	All Ranges	All Ranges	Low-Range	Mid-Range	High-Range	Total
Metropolitan Cities						
New Bohemians	20	10	0	0	0	30
Urban Achievers	30	10	0	0	0	40
Subtotal:	50	20	0	0	0	70
Small Cities/Satellite Cities						
Twentysomethings	0	0	10	0	0	10
Small-City Singles	10	0	10	0	0	20
Subtotal:	10	0	20	0	0	30
Total:	60	20	20	0	0	100
Percent:	60.0%	20.0%	20.0%	0.0%	0.0%	100.0%

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Household Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Rer			Owner	ship		
		Multi-Family			Single-Family		
Iousehold Type/	Below Market	Market	All Ranges	All Ranges	Below Market-Rate	Market-Rate	
2 1	Rate Apt.	Rate Apt.	Apt.	Attached_	Detached	Detached	Total
Empty Nesters & Retirees	80	40	20	20	20	0	180
						-	
Metropolitan Cities	50	20	10	10	0	0	90
Cities/Satellite Cities	30	20	10	10	20	0	90
Aetropolitan Suburbs	0	0	0	0	0	0	0
n & Country/Exurbs	0	0	0	0	0	0	0
Traditional &							
Traditional Families	180	100	40	30	20	0	370
Metropolitan Cities	150	70	30	20	0	0	270
							100
· ·							0
•	0	0	0	0	0	0	0
J.							
Vounger							
ngles & Couples	80	40	20	10	10	0	160
•							160
•		_				_	0
n & Country/Exurbs	0	0	0	0	0	0	0
Total.	240	100					710
						_	100.0%
Metropolitan Cities Cities/Satellite Cities Metropolitan Suburbs on & Country/Exurbs  Younger Ingles & Couples  Cities/Satellite Cities Metropolitan Suburbs on & Country/Exurbs  Total: Percent:						•	

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Household Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

		Ren	ıtal		Owner			
		1	Multi-Family			Single-Family		
		Below		All	All	Below		
Emp	ty Nesters	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
&	Retirees	Rate Apt.	Rate Apt.	Apt.	Attached	_Detached	Detached	Total
Metro	politan Cities							
Dow	ntown Retirees	10	0	0	10	0	0	20
Mult	i-Ethnic Seniors	40	20	10	0	0	0	70
	Subtotal:	50	20	10	10	0	0	90
Small Cities/S	Satellite Cities							
Blue	-Collar Retirees	0	0	0	0	10	0	10
Hon	netown Retirees	0	0	0	10	0	0	10
Seco	nd City Seniors	30	20	10	0	10	0	70
	Subtotal:	30	20	10	10	20	0	90
	Total:	80	40	20 0	20	20	0	180
	Percent:	44.4%	22.2%	11.1%	11.1%	11.1%	0.0%	100.0%

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Household Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Ren	ıtal		Owner	ship		
		Multi-Family			Single-Family		
	Below		All	All	Below		
Traditional &	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
<b>Non-Traditional Families</b>	Rate Apt.	Rate Apt.	Apt.	Attached	Detached	Detached	Total
Metropolitan Cities							
Inner-City Families	90	40	20	10	0	0	160
Single-Parent Families	60	30	10	10	0	0	110
Subtotal:	150	70	30	20	0	0	270
Small Cities/Satellite Cities							
In-Town Families	30	30	10	10	20	0	100
Subtotal:	30	30	10	10	20	0	100
Total:	180	100	40 0	30	20	0	370
Percent:	$\boldsymbol{48.6\%}$	<b>27.0</b> %	10.8%	8.1%	5.4%	0.0%	$\boldsymbol{100.0\%}$

SOURCE: Claritas, Inc.;

Households With The Potential

To Move To The Earhart Development Area Each Year Household Groups With Median Incomes Below \$50,000

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

		Ren	ıtal					
		1	Multi-Family	Single-Family				
		Below		All	All	Below		
	Younger	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
	Singles & Couples	Rate Apt.	Rate Apt.	Apt.	Attached	Detached	Detached	Total
Sm	all Cities/Satellite Cities							
	Blue-Collar Singles	30	20	10	10	10	0	80
	Soul City Singles	50	20	10	0	0	0	80
	Subtotal:	80	40	20	10	10	0	160
	Total:	80	40	20	10	10	0	160
	Percent:	50.0%	25.0%	12.5%	6.3%	6.3%	0.0%	100.0%

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Rental			Ownership			
		Multi-Family		•			
	Below	·	All	All	Below		
Household Type/	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
Geographic Area	Rate Apt.	Rate Apt.	<i>Apt</i>	Attached	Detached	<u>Detached</u>	Total
Empty Nesters							
& Retirees	80	60	20	30	30	20	240
Metropolitan Cities	50	30	10	20	10	10	130
Small Cities/Satellite Cities	30	30	10	10	20	10	110
Metropolitan Suburbs	0	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0	0
10wh & Country/Exures	U	O	O	O	O	O	O
Traditional &							
Non-Traditional Families	200	130	60	60	30	50	530
TOTAL TRANSPORTER TRANSPORTER	200	100	00	00		30	000
Metropolitan Cities	160	90	50	30	0	20	350
Small Cities/Satellite Cities	40	40	10	30	30	30	180
Metropolitan Suburbs	0	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0	0
Younger							
Singles & Couples	130	180	80	30	30	0	450
Metropolitan Cities	40	100	50	20	0	0	210
Small Cities/Satellite Cities	90	80	30	10	30	0	240
Metropolitan Suburbs	0	0	0	0	0	0	0
Town & Country/Exurbs	0	0	0	0	0	0	0
Total:	410	370	160	120	90	70	1,220
Percent:	33.6%	30.3%	13.1%	9.8%	7.4%	5.7%	100.0%
Percent Rental:	63.9%						
Percent Ownership:	36.1%						
Percent Multi-Family/S	ingle-Family	y Attached:	86.9%				

13.1%

SOURCE: Claritas, Inc.;

**Percent Single-Family Detached:** 

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

	Rental			Owner			
		Multi-Family					
	Below	Below		All	Below		
<b>Empty Nesters</b>	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
& Retirees	Rate Apt.	Rate Apt.	<i>Apt</i>	Attached	Detached	Detached	Total
Metropolitan Cities							
Cosmopolitan Couples	0	10	0 0	10	0	10	30
Multi-Ethnic Retirees	0	0	0 0	0	10	0	10
Downtown Retirees	10	0	0	10	0	0	20
Multi-Ethnic Seniors	40	20	10	0	0	0	70
	50	30	10	20	10	10	130
Small Cities/Satellite Cities							
Middle-Class Move-Downs	0	10	0	0	0	10	20
Blue-Collar Retirees	0	0	0	0	10	0	10
Hometown Retirees	0	0	0	10	0	0	10
Second City Seniors	30	20	10	0	10	0	70
Subtotal:	30	30	10	10	20	10	110
Total:	80	60	20 0	30	30	20	240
Percent:	33.3%	25.0%	8.3%	12.5%	12.5%	8.3%	100.0%

SOURCE: Claritas, Inc.;

Balance of Louisiana; All Other US Counties

	Rental Multi-Family .			Owner			
			e e				
	Below		All	All	Below		
Traditional &	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
<b>Non-Traditional Families</b>	Rate Apt.	Rate Apt.	<i>Apt</i>	Attached	Detached	Detached	Total
Metropolitan Cities							
Full-Nest Urbanites	0	10	10	10	0	10	40
Multi-Cultural Families	10	10	10	0	0	10	40
Inner-City Families	90	40	20	10	0	0	160
Single-Parent Families	60	30	10	10	0	0	110
Subtotal:	160	90	50	30	0	20	350
Small Cities/Satellite Cities							
Unibox Transferees	0	0	0	10	0	20	30
Multi-Ethnic Families	10	10	0	10	10	10	50
In-Town Families	30	30	10	10	20	0	100
Subtotal:	40	40	10	30	30	30	180
Total:	200	130	60 0	60	30	50	530
Percent:	37.7%	24.5%	11.3%	11.3%	5.7%	9.4%	100.0%

SOURCE: Claritas, Inc.;

Orleans, Jefferson, St. Tammany, St. Bernards, and East Baton Rouge Parishes, Louisiana; Balance of Louisiana; All Other US Counties

		Rental Multi-Family			Owner			
				Single-Family				
		Below		All	All	Below		
	Younger	Market	Market	Ranges	Ranges	Market-Rate	Market-Rate	
	Singles & Couples	Rate Apt.	Rate Apt.	Apt.	Attached	Detached	Detached	Total
	Metropolitan Cities							
	New Bohemians	10	30	20	10	0	0	70
	Urban Achievers	30	70	30	10	0	0	140
	Subtotal:	40	100	50	20	0	0	210
Sm	all Cities/Satellite Cities							
	Twentysomethings	0	20	0	0	10	0	30
	Small-City Singles	10	20	10	0	10	0	50
	Blue-Collar Singles	30	20	10	10	10	0	80
	Soul City Singles	50	20	10	0	0	0	80
	Subtotal:	90	80	30	10	30	0	240
	Total:	130	180	80	30	30	0	450
	Percent:	28.9%	40.0%	17.8%	6.7%	6.7%	0.0%	0.0%

SOURCE: Claritas, Inc.;

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Research & Strategic Analysis

ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.



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Research & Strategic Analysis

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